

**Amendments to the Abstract**

Please **amend** the Abstract to read.

-- A method for minimizing and optimizing a list of active reference pictures to be used for (forward or backward) inter coding of a current picture, or of a pixel region (e.g., video object) within the current picture. Setting the number of active reference pictures in a list equal to one based upon one or more decisions related to the pixel data and movement between the current picture and one or more reference pictures. Otherwise, minimizing the number of active reference pictures in the list based upon one or more other decisions related to the pixel data and movement between the current picture and one or more reference pictures. Minimizing the number of active reference pictures in a second reference picture list based upon the utilization of reference pictures in the first reference picture list. A video encoder processes data representing a two-dimensional video image which has been produced by a conventional commercially available video camera. The video encoder is adapted to determine, select, and to minimize the number of active reference pictures to be used to inter code a current picture. The bit stream transmitted by the encoder can be decoded by decoders of the related art. --